

MONTANA SURPLUS LINES

ENDORSEMENT / CANCELLATION COVER SHEET

Effective July 1, 2011, statute changes in SB 331 require that if Montana is not the Home State — for policies with an effective date on or after July 1, 2011, a Montana filing is not required – A definition of Home State can be obtained in the Appendix at the bottom of this document. A copy of SB 331 can be obtained at

<http://data.opi.mt.gov/bills/2011/billpdf/SB0331.pdf>

THIS FORM IS TO BE USED FOR ELECTRONIC FILINGS ONLY – A ½ % (0.005) STAMPING FEE WILL BE ASSESSED FOR FILINGS WITH THIS FORM – RETAIN A COPY FOR YOUR RECORDS

NOTICE: ALL FIELDS IN THE ELECTRONIC FILING MUST BE COMPLETED, PER INSTRUCTIONS, TO SUBMIT THE FILING TO THE CSI

NAME OF INSURED _____

ENDORSEMENT # _____ OR CANCELLATION ☐ (check if cancellation)

COMPANY _____ POLICY # _____

EFFECTIVE DATE _____ EXPIRATION DATE _____

EX:01/01/2011

EX:01/01/2012

ENDORSEMENT/CANCELLATION EFFECTIVE DATE* _____

EX:05/01/2012

* Enter the day prior to effective date of policy for a flat cancellation of the policy

NOTICE: Under Montana law, inspection fees for the actual cost of inspecting the risk to be covered may be charged. Other fees, such as placement fees or policy fees, are not permitted.

PREMIUM (ADDITIONAL OR RETURN) _____

☐ (Check One) ☐

FIRE PREMIUM _____

INSPECTION FEE _____

PREMIUM TAX 0.0275% _____

FIRE TAX 0.025% _____

STAMPING FEE 0.005% _____

(Only returned if flat cancellation prior to the effective date of the policy)

SURPLUS LINES PRODUCER:	_____	SL PRODUCER
	_____	AGENCY NAME
	_____	ADDRESS
	_____	CITY/ST/ZIP

SURPLUS LINES INDIVIDUAL LICENSE NO. _____

For Office Use Only:

APPENDIX
SENATE BILL 331 DEFINITIONS

Authorized insurer means an insurer authorized pursuant to 33-2-101 to transact insurance in this state.

Control - including the terms "controlled by" and "under common control with", means that: (i) the person directly or indirectly or acting through one or more other persons owns, controls, or has the power to vote 25% or more of any class of voting securities of a business entity; or (ii) the person controls in any manner the election of a majority of the directors or trustees of a business entity.

Eligible Surplus Lines Insurer means an unauthorized insurer that is eligible to issue surplus lines insurance under 33-2-307.

Exempt commercial purchaser defined. (1) An exempt commercial purchaser means an individual or business entity who at the time of placement:

- (a) employs or retains a qualified risk manager to negotiate insurance coverage;
- (b) has paid aggregate nationwide commercial property and casualty insurance premiums in excess of \$100,000 in the immediately preceding 12 months; and
- (c) meets at least one of the following criteria:
 - (i) possesses a net worth in excess of \$20 million, as that amount may be adjusted pursuant to subsection (2);
 - (ii) generates annual revenue in excess of \$50 million, as that amount may be adjusted pursuant to subsection (2);
 - (iii) employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate;
 - (iv) is a not-for-profit organization or a public entity generating annual budgeted expenditures of at least \$30 million, as that amount may be adjusted pursuant to subsection (2); or
 - (v) is a municipality with a population in excess of 50,000 persons.

(2) Effective January 1, 2015, and on every 5th subsequent January 1, the amounts in subsections (1)(c)(i), (1)(c)(ii), and (1)(c)(iv) must be adjusted to reflect the percentage of change for that 5-year period in the consumer price index for all urban consumers published by the bureau of labor statistics of the United States Department of labor.

Home State means, with respect to an insured:

- (i) the state in which the insured maintains its principal place of business or, in the case of an individual, the individual's principal residence;
- (ii) if 100% of the insured risk is located outside the state referred to in subsection (i) above, the state with the greatest allocated percentage of the insured's taxable premium for that surplus lines insurance contract;
- (iii) if more than one insured from an affiliated group are named insureds on a single surplus lines insurance contract, the home state as determined under subsection (i) or (ii) above for the member of the affiliated group that has the largest percentage of premium attributed to it under the surplus lines insurance contract; or
- (iv) if a group policyholder pays 100% of the premium from its own funds, the home state of the group policyholder as determined under subsection (i) above, or if a group policyholder does not pay 100% of the premiums from its own funds, the home state of the group member as determined under subsection (i) above.

Independently procured insurance means surplus lines insurance procured directly by an insured from an eligible surplus lines insurer.

Multistate risk means a risk covered by an unauthorized insurer with insured exposures in more than one state.

Principal place of business means the state where the insured business maintains its headquarters and where the insured's high-level officers direct, control, and coordinate the business activities of the insured.

Principal residence means the state where an individual insured resides for the greatest number of days during a calendar year or, if the insured's principal residence is located outside of any state, the state to which the greatest percentage of the insured's taxable premium for that insurance contract is located.

Single-state risk means a risk covered by an unauthorized insurer with exposures in only one state.

Surplus lines insurance means any property or casualty insurance permitted in a state to be placed directly or through a surplus lines insurance producer with an unauthorized insurer eligible to accept the insurance. The term includes independently procured insurance.

Unauthorized insurer means with respect to a state, an insurer not authorized to transact the business of insurance in the state. The term includes an insurance exchange authorized under the laws of another state. The term does not include a risk retention group, as that term is defined in the Liability Risk Retention Act of 1986, 15 U.S.C. 3901(a)(4).